

8 June 1961

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MEMORANDUM TO

1. DCI summary remarks for 9 June 1961 delivery in Boston, are being checked at the White House and the State Department.
2. I believe the White House is not going to clear ^{that} speeches hereafter. There has been some criticism in the press recently about clearances of departmental talks is censorship. The State Department hereafter will be the only place of clearance according to my understanding.
3. Since the subject of the DCI's talk is "Incentives in the Soviet Union" that I suppose justifies the rather lengthy and to me very questionable several pages stating different kinds of incentives and more or less using the terms as synonymous with motivation. I believe this speech could be cut in half and improved a great deal by the cut. Until about page 25, the speaker seems to be setting up something like a series of straw men in the form of communists, but from page 25 on the speech is meatier and shows that all these reputed weaknesses of the earlier pages have been or are being corrected, and concludes with the distinct statement that the "Soviet major thrust of economy development" being toward heavy hardware while "the major thrust of our economy is directed to the product of consumer goods", which adds little strength to our national security would indicate that the speaker would like us to adopt the Russian method.
4. On page 1, the use of the term "academy" in the last sentence is perfectly proper, but its not generally used in the United States. "University" would be a more common term since in our country an academy is usually associated with West Point, Annapolis, the Navy, the Air Force or some of the girls finishing schools.
5. On page 2, first paragraph, the word "I" might well be substituted for "we".
6. On page 3, line 2, I question whether the use of the phrase "exhibitions of fortitude" is as proper a term as "deeds of fortitude or acts of fortitude".
7. The statements on pages 2 and 3 regarding incentives going from within or without, may well form the basis of differences of opinion among the people who will hear this talk. Some may well question whether incentives are in "either" inside "or" outside. Some will think that probably both factors will at times simultaneously influence personal motivation. Others may question whether "religious fervor" is essentially internal force. They may argue that the Church and the family are basic "outside" forces on the individual's religious conflicts. Regarding the last paragraph on page 3, our Peace Corps and the proposed Junior Training Camps, along the line of the old CCC, could not be used as examples to sustain the speaker's last statement.

8. On page 5, lines 4 and 5, might well be omitted since the hearer may ask, why doesn't the CIA know the answer. Page 4, third line from the bottom, it might be more proper to put the word "political" before the word "bible". Here was a country perhaps the most prosperous ~~and~~ middle class country in the world which went wrong politically, but in which there certainly was individual initiative to develop quality consumer goods, a great army with new weapons, a Navy with advance pocket battle ships, and the first jet airplanes in combat and the V rocket. "Patriotism" was not lacking in the German even under Hitler. When the Director speaks, I believe he should be scrupulously accurate and give the good as well as the bad so as to be objective and not be just a propagandist against something.

9. The word "phenomena" line 6, page 4, should be "phenomenon". The great industrial advance of USSR, particularly in space science, might well be considered in relation to paragraph 1, page 4.

10. Page 5 points out again that the majority of incentives in the Soviet Union derive from dictates of the state. Is it bad for the Russians to have these major incentives come from the state? Up to now one would find that it is not bad. The last paragraph on page 5 that "written doctrines of the past become shaky guidance for the future" must also apply to our Constitution and our Bill of Rights, the Jeffersonian theory of Democracy. Is the Director saying something here that might better be left unsaid?

11. Page 6 seems to contradict the previous pages. Philip Mosely is saying that all kinds of initiative is welling up from below in the Soviet system. The Director says that Khrushchev exercises initiative and follows his own interpretation and gives individual scientific industrialists more latitude than they previously had to operate. This seems to nullify the statements on the first five pages.

12. On page 7, regarding "Lysenko", I had some idea that he is notorious because he does not expound the laws of science but tries to make them conform to Communist ideology.

13. Page 8, line 9, should it be that "our" should be changed to "his" and "yours" should be changed to "ours". Why may I ask, does the speaker repeat Khrushchev's claims that Capitalism took over Feudalism so Communism will take over Capitalism, etc.? Why do we advertise Khrushchev's doctrine? There are those who will argue that though Khrushchev said, "we will bury you," regardless of the explanation in the Press Club that he didn't mean physically; his explanation doesn't fit the Soviet objective of total totalitarian conquest. Some people argue that "we will bury you" is not a mere figure of speech.

14. Page 9 states again what Khrushchev preaches but the speaker doesn't say whether Khrushchev's statements are correct or he does not refute them in any way.

15. Page 11 gives built-in incentives of the Communist scheme of things. Why state these? There is nothing wrong with them according to the text. What incentives do we in the free world have that they don't have?

16. Page 13, line 3, "In the Soviet Union the politicians do not trust the business managers". There is now an investigation in the United States Congress into "General Electric Company" and "Westinghouse" so maybe they don't trust them here either.

17. Page 15, there appears to be the only reference in the whole speech to our Western concept or "competition" as an industrial incentive and this reference is very casual.

18. Page 16, why not give some examples of delivery by the Soviets of shoddy goods to underdeveloped nations? What shoddy goods to what underdeveloped nations?

19. Page 17, using the terms stockholders in relation to Council of Ministers and Communist Party of the USSR and to the chairman of the Council of Ministers may well be confusing to Americans who think of stockholders of being just that, holders of stock in a company or organization or other enterprise. Khrushchev is not a stockholder. Members of the Communist Party of the USSR are not stockholders of the corporation. I believe the Communist Party of the USSR is, in fact, a very small group compared to the population of the country.

20. Page 20 and 13 seem somewhat contradictory. Last sentence page 20, "A Soviet industrial manager is more likely to seek advancement through the government and the political hierarchy than is his American counterpart. On page 13, "In the Soviet Union, the politicians do not trust the business manager".

21. Page 32, the Soviet incentive system is said to have "serious defects", but the previous thirty pages do not develop any really fundamental defects in terms of basic motivation. One is left with a vague impression of a lot of "carrots" and "sticks" in industry and business that are not essentially different from western management and labor practice. The speech concludes by stating a generality and failing to give a solution. It asks what we must and can do to defend our national security and advance the cause of freedom here and throughout the world. What must we do?


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